

REPORT
FROM



THE PERSONNEL
DEPARTMENT

TO: City Council	DATE September 30, 2021
REFERENCE: Los Angeles Administrative Code Division 5, Chapter 31	COUNCIL FILE _____
SUBJECT: Ridesharing Trust Fund Review Fiscal Year (FY) 2020-21	

RECOMMENDATION:

That the City Council note and file the Ridesharing Trust Fund review for Fiscal Year (FY) 2020-21.

SUMMARY:

The City offers a variety of transportation benefits to eligible employees through what the Personnel Department has branded the COMMUTEwell Program. Transportation benefits include ridesharing programs as well as City-sponsored parking. Transportation benefits are established within the City's Special Memorandum of Understanding on Commute Options and Parking ("Special Parking MOU") and overseen by the City's Joint Labor-Management Committee on Commute Options and Parking (JLMC-COP). The JLMC-COP includes four management member representatives – the Personnel Department, General Services Department (GSD), Office of the City Administrative Officer (CAO), and Department of Transportation (DOT) – and four employee organization representatives – the American Federation of State, County, and Municipal Employees (AFSCME), Laborers' International Union of North America (LIUNA 777), Los Angeles Police Command Officers Association (LAPCOA), and Service Employees International Union, Local 721 (SEIU 721).

The City's civilian and sworn Police/Fire employees are eligible for the COMMUTEwell Program (excluding employees of Los Angeles World Airports (LAWA), Harbor Department, and Department of Water and Power (DWP), each of which offers their own transportation benefit programs). The Personnel Department's Employee Benefits Division/Commute Options & Parking Section ("Employee Benefits") administers the COMMUTEwell Program. Employee Benefits has the ongoing responsibility of administering and promoting greater utilization of the City's existing ridesharing benefits as well as administering parking benefits.

On June 19, 1991, the City established a City Employees Ridesharing Fund (Ridesharing Trust Fund) under Los Angeles Administrative Code (LAAC) Division 5, Chapter 31 (Chapter 31). The purpose of the Ridesharing Fund is for the receipt and retention of monies received by the City from City employees for parking privileges at all City owned or leased lots, as well as monies collected from City employees for fares in City operated vanpools, or secured from grants or other rideshare incentive programs; and for costs, exclusive of salaries, to provide for ridesharing enhancements that reduce City employee private vehicle usage in commuting to and from work.

Chapter 31, Sec. 5.344 (g) provides that, "The General Manager of the Personnel Department shall report to the City Council regarding the Fund on an annual basis, within 90 days after the close of the City's fiscal year. Such report shall identify all receipts into, and all expenditures out of, the Fund, as well as the purposes for which the expenditures were made." This report provides a review of Trust Fund activity and expenditures for FY 2020-21.

A. Ridesharing Transportation and Parking Benefits Overview

COMMUTEwell's rideshare benefits encourage the use of public transportation and other means of ridesharing to work. Ridesharing helps reduce air pollution and traffic congestion and supports a more sustainable, livable environment within the region.

Rideshare benefits include the following:

- **Transit Reimbursement Program:** Provides up to \$50 reimbursement per month to individuals who use public transportation to commute.
- **Transit Spending Account (TSA):** Allows employees to set aside up to \$270 pre-tax dollars per month to pay for transit expenses while also providing a Transit Match of up to \$50 per month.
- **Vanpool Program:** Operates a fleet of vans commuting from the greater Los Angeles area to common City work locations.
- **Carpool Permits:** Assists with matching employees interested in sharing transportation costs and provides reduced parking fees for employees forming carpools.
- **Bike/Walk to Work Program:** Provides up to \$50 per month to individuals who walk or bike to work.

Prior to COVID-19, participation in the City's rideshare benefit programs averaged approximately 3,700 employees. Since COVID-19, participation has fallen to approximately **1,215** employees as of the end of the second quarter of 2021.

Parking benefits include the following:

Parking Benefits

- **City Facilities Parking** – Eligible employees may receive parking at various City-owned or leased parking facilities on a space-available basis per the parking priorities established in the Special Parking MOU.
- **Parking Savings Accounts** – Eligible employees may contribute, on a tax-free basis, up to \$270 per month to an account to fund parking expenses at non-City-owned or leased facilities.

Employee Benefits issues permits, keycards, and keycard approvals for 22 lots. In total, approximately 6,000 permits have been issued at these various parking facilities.

The current transportation benefit design as reflected in the Special Parking MOU has been in existence since September 2005. The JLMC-COP has been working with the Personnel Department to conduct a best practice transportation benefit redesign and update of the Special Parking MOU. In support of these efforts, following a competitive procurement process, the Personnel Department entered into a contract with Steer Davies & Gleave, Inc. (Steer) in February 2021, to provide transportation benefit consulting services. The JLMC-COP, the Personnel Department, and Steer have initially been focused on a variety of interim measures for City employees to better support their needs to the degree they are transitioning back to a greater presence at City worksites, with a particular focus on the Civic Center area where parking options and capacity are limited. Such measures, while not increasing parking supply, may nevertheless provide some support during this critical transition period. The more fundamental redesign of the Special Parking MOU continues to proceed

but will be informed by final decisions regarding telecommuting prevalence and by obtaining greater visibility into the commuting and parking behaviors of a post-pandemic workforce.

B. REVIEW OF FY 2020-21 RIDESHARING TRUST FUND ACTIVITY

The Personnel Department has completed its FY 2020-21 review and reconciliation of the Trust Fund. **Attachment A** provides a summary description of activity items as indicated below:

Revenues

- *Parking Fees and Miscellaneous Revenues* – General Fund transfers for payment of benefit program premiums.
- *Vanpool Revenue* – Fares from City employee riders in the vanpool program.
- *Interest Income* – Interest earnings credited to the Ridesharing Trust Fund.

Payments

- *Employee Transit Subsidy/Match Incentives* – Payment of employee transit subsidy and transit match incentives.
- *Contractual Services* – Payments for van lease costs and other contracted services.
- *Fuel* – Fuel costs for the City's vanpool program.
- *Office and Administrative Expenses* – Incidental office and administrative expenses.

In addition, **Attachment A** further reflects certain revenue and payment items accrued but not yet recorded in FY 2020-21. Net of all recorded and accrued items, assets in the Ridesharing Trust Fund totaled **\$4,285,030** as of June 30, 2021. **Attachment B** provides a two-year historical review of Trust Fund debits, credits, and balances from the period 2020-2021 and also provides reporting on a Generally Accepted Accounting Principles accrual basis (whereby revenues and expenses are reported in the period earned and incurred, respectively).

C. CONCLUSION

The Ridesharing Trust Fund provides an important vehicle for the City to fund and process payments for the COMMUTEwell Program. The Personnel Department recommends that the City Council note and file this report regarding and identifying all FY 2020-21 Ridesharing Trust Fund receipts and expenditures and purposes for which expenditures were made.



WENDY G. MACY, GENERAL MANAGER
PERSONNEL DEPARTMENT

**City of Los Angeles
Rideshare Trust Fund
Review of Trust Fund Activity (as of June 30, 2021)**

FY 2021 Activity per Financial Management System (FMS)		
	<i>July 1, 2020 Opening Balance per FMS--></i>	\$3,541,389
<i>Revenues</i>		
Parking Fees and Miscellaneous Revenues	2,004,617	
Vanpool Revenue	310,918	
Interest Income	49,124	
		2,364,658
<i>Payments</i>		
Employee Transit Subsidy/Match Incentives	(334,616)	
Contractual Services	(592,421)	
Fuel - Fuel costs for the City's vanpool program	(600,000)	
Office and Administrative Expenses	(29,473)	
		(1,556,510)
<i>Post June 30, 2021 Activity</i>		
FY 2017-20 Reversion Amounts	87,369	
		87,369
<i>Outstanding Liabilities</i>		
FY 2021 Encumbrances	(151,876)	
		(151,876)
	<i>June 30, 2021 Closing Balance per FMS--></i>	\$4,285,030

Attachment B**Validation of Net Assets - Adjusted Trial Balance Groupings
June 30, 2019 to June 30, 2021**

	June 30, 2021	June 30, 2020
DEBITS		
Cash and pooled investments - FMS	4,349,537	3,334,249
Reversion Amounts	87,369	253,401
Assets	4,436,906	3,587,650
CREDITS		
Accrued contractual services	133,526	38,276
Accrued office and admin expenses	18,350	7,984
Liabilities	151,876	46,261
Net Assets Restricted for Trust Purposes	4,285,030	3,541,389